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FINANCING

Manchester is the major financial center for northern New England. Two of the region's largest commercial banks are headquartered here, and others have established branch offices. In addition, the Manchester area has several other sources of economic development financing.

Manchester is an entitlement Community for federal **Community Development Block Grant (CDBG)** funds from the U.S. Department of Housing and Urban Development; some of these funds have been used for various economic development projects. Manchester is also a federally- designated urban Enterprise Community. Businesses locating within the EC area may qualify for tax-exempt bond financing which is exempt from restrictions on financing the acquisition of land and existing property.

The City of Manchester operates a small **Revolving Loan Fund** that makes available financing for fixed asset acquisition and working capital for businesses located in or relocating to Manchester. Credit-worthy companies unable to access traditional financing may be eligible for these loans, which can be used only by businesses expecting to create new jobs for low-and moderate-income persons. Loans generally range from \$20,000-\$75,000 and market interest rates are charged.

The not-for-profit **Venture Capital Network**, located at the Massachusetts Institute of Technology, offers a computerized matching service that introduces entrepreneurs to private investors ("angels"), both for start-ups and new product development. Several New Hampshire venture capital funds, including **MerchantBanc Venture Partners, LP** in Manchester, provide equity financing to privately owned small business unable to obtain traditional financing of capital growth needs.

The Institute for Cooperative Community Development at Southern New Hampshire University operates **Capital Networks**, which provides technical assistance and small business loans to companies involved in flexible manufacturing networks. The New Hampshire Community Loan fund operates the **MicroCredit-NH** program that provides a growing line of credit to "micro" businesses participating in business loan groups.

The **U.S. Small Business Administration** operates a variety of business-assistance programs in New Hampshire. The SBA 7(a) Program guarantees bank loans to qualified small businesses that are unable to obtain traditional financing. The SBA 504 Loan Debenture Guarantee Program is designed to promote economic development by providing, in coordination with a private lender, 90% financing of fixed assets through three certified development corporations in the state.

The **New Hampshire Business Finance Authority**, a state agency, (www.state.nh.us/bfa/bfa.htm) operates several programs aimed at encouraging economic development in the state. The BFA offers the following initiatives: 1) guarantees on loans to businesses made by banks and local development organizations; 2) companion loans to loans guaranteed in part by the U.S. Small Business Administration; 3) cash reserves on loans made by state banks to businesses with annual revenues less than or equal to \$5 million; 4) opportunities for local development organizations to acquire additional funds for the purpose of promoting and developing business in the State; and 5) guarantees on portions of working capital lines of credit up to \$2 million. The BFA also has the authority to issue tax-exempt industrial revenue bonds (IRBs) of over \$1 million to credit worthy manufacturers.

The State of New Hampshire also offers, through its Community Technical College system, the **Job Training Program for Economic Growth** that may pay up to 50% of training costs for eligible companies.

Other financing programs available to New Hampshire businesses include assistance to firms hurt by export competition, assistance to inventors and small businesses with promising energy-related inventions, state-subsidized matching grants for technical assistance with product and/or process research and development and technology deployment, and loan guarantees and assistance for exporters.

Because of these and other financial vehicles, Manchester is in a position to creatively tailor financing for a variety of projects.